

Interior (pending) -- Interior heartily agrees with the objectives of developing the St. Lawrence for both navigation and power. Interior states that: (1) the domestic supply of high grade iron ore is limited and is already insufficient to supply our needs; (2) our blast furnaces are concentrated in Ohio and western Pennsylvania, removed from the eastern seaboard and served by Great Lakes traffic routes; (3) these furnaces must soon be supplied with large tonnages of ore from new sources. These new sources are primarily Quebec-Labrador and Venezuela. Interior notes that the record shipments of ore from Mesabi and other Lake Superior ranges to blast furnaces in the lower lakes steel centers was made possible by the navigation works in the upper Great Lakes as improved before and during the early part of World War II. The Department states that unless improved by deep waterway, as proposed, the international rapids section of the St. Lawrence would constitute a bottleneck in the transportation of iron ore in substantial quantities from Seven Islands to the blast furnaces in the lower lakes area. It notes that the emergency measures taken in 1950 to ship iron ore all-rail from the Lake Superior mines resulted in moving by all-rail only 8 percent of the total shipped. It notes also that the Seaway would not result in the surrender of iron ore rail traffic to navigation. The Department states that the greatest need for iron ore obtains during times of war and it is then that open sea transportation is most hazardous and the St. Lawrence Seaway would afford a supply relatively inexpensive and safe from submarine attack. Moreover, early construction would relieve the current heavy drain on open-pit and direct-shipping ores of the Mesabi range and thereby preserve the maximum degree of rapid production expansibility for future emergencies. This expansibility constitutes a most urgent reason for immediate increases of imported ore. The Department notes the Canadian intention to proceed unilaterally, if necessary, and states that it would be highly undesirable to leave any part of the welfare of our great industries to the sole determination of a foreign power no matter how friendly our relations have been, are, and will continue to be. The Department observes with respect to the power development in the international rapids section that this lower cost power would find an ample market in New York and New England as soon as it can be made available.

Commerce (April 3) -- Commerce states that there are substantial arguments for, as well as substantial arguments against, the St. Lawrence waterway project, but that on the assumption that Canada is prepared to proceed forthwith with its part of the program and on balance, after considering pro and con viewpoints, it is prepared to recommend that the United States join in completing the waterway project subject to one proviso. Its proviso is that the project should be set up on a self-liquidating basis and that this Government's involvement